



City of Wheatland

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CITY COUNCIL MEETING STAFF REPORT

**Date: June 9, 2010
Agenda Item: 5.4**

Subject: RD 2103 Assessment Ballot

Prepared by: Stephen L. Wright, City Manager

Recommendation: Council authorize the City Manager to cast votes in support of the RD 2103 Assessment Election for properties owned by the City.

Discussion: RD 2103 has completed its efforts to reconstruct the Bear River levee to 200 year protection levels and is working towards obtaining FEMA accreditation for those protection efforts. In order to obtain this certification the RD must show that they have the financial capacity to annually maintain the improvements that have been installed. To do that, they have initiated an assessment district proceeding to establish the necessary funding capability. Each property owner, including governmental agencies, has the right to vote in these proceedings. The City owns 7 parcels that will be affected by these improvements.

The City owned parcels run from small (sewer lift stations) to large (C Street park); and maximum annual assessments range from \$2.00 per year to \$6,647.02. The RD has established a formula to set these rates that includes parcel size, improvements and location (depth of flooding). Attached is a copy of a presentation given to the RD to further explain the process of determining the assessment amounts as well as the process for this balloting effort.

The total potential annual assessment impact on the City would be \$8,021.54. This is a maximum amount that would be subject to annual CPI type adjustments. The RD plans to phase in these charges over about 5 years with no fees in the coming year. The proposed amounts are also maximums and the RD plans to charge only anticipated actual costs below this maximum in any given year.

Alternatives: The Council could direct the City Manager to vote No on each ballot or the Council could choose not to vote at all. In order to pass, the vote results, which will be considered by the RD Board on July 15th, will require the District to receive at least one vote more than 50% of the total votes cast in favor of the assessment.

Fiscal Impact: In future years the City will need to budget for the anticipated maintenance fees from this district. To the extent the affected parcels are used for water or sewer purposes, those fees would be charged to those respective enterprise funds.

In addition, the passage or failure of this assessment will have a financial impact on individual citizens. All who own property will be subject to the fee. Those who either choose to have flood insurance or are mandated to have flood insurance through their mortgage will be subjected to significantly higher flood insurance fees if the proposed assessment district fails.

Finally, should the measure not pass and the levee not get certified, City flood policies would preclude the City from issuing building permits on any parcels that may be subject to inundation as defined by FEMA.